

Registered number: 07154275

Pro Tiler Limited

Annual report and financial statements for the

18 months to 1 October 2022

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Pro Tiler Limited
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Pro Tiler Limited

Officers and professional advisers

Directors

R. Parker (appointed 9/3/22)

S. Hopson (appointed 9/3/22)

A Bucknall (resigned 9/3/22)

Mrs W Bucknall (resigned 9/3/22)

S Bucknall (resigned 9/3/22)

T Bucknall (resigned 9/3/22)

Company Secretary

Ms J Steer (appointed 17 May 2023)

R. Cole (appointed 31 May 2022, resigned 7 November 2022, appointed 23 February 2023, resigned 17 May 2023)

Mrs H Evans (appointed 7 November 2022, resigned 23 February 2023)

A.R. Hodder (resigned 31 May 2022)

Registered Office

Topps Tiles

Thorpe Way

Grove Park

Enderby

Leicestershire

LE19 1SU

Bankers

Barclays

18 The Drapery

Northampton

NN1 2HG

Barclays

Leicester

LE87 2BB

Solicitors

Osborne Clarke

One London Wall

London

EC2Y 5EB

Shoosmiths

2 Colmore Square

Birmingham

B4 6BJ

Pro Tiler Limited

Directors' report

For the 18 months to 1 October 2022

The directors present their annual report and financial statements for the 18 months to 1 October 2022.

The Company is a subsidiary of Topps Tiles Plc ("Topps"). The Directors run the Companies on a Group basis where possible and references to Topps in these financial statements relate to the Group as a whole.

For further information on the operations of the company, its approach to customer service, corporate social responsibility and the environment together with a review of market conditions please refer to the Topps Tiles Plc Annual Report which may be downloaded from our website at www.toppstiles.co.uk.

Principal activities

The principal activity of the Company is the online supply of tiling-related consumables and equipment to trade customers. Topps Tiles Plc has a 60% controlling interest in the Company, and its ultimate parent is Topps Tiles Plc. The ultimate parent company produces consolidated financial statements.

All Topps Tiles Group companies are managed and controlled on a unified basis. Whilst the directors take a responsible approach to the performance of each group and individual holding and subsidiary company, the results of these subsidiary companies can vary from time to time.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. The directors have also taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to disclose a Strategic Report.

Going concern

Given that the Group is managed and controlled on a unified basis, and all subsidiary companies are UK based with common directors, going concern is considered on a group basis. Those directors take a responsible approach to each individual company in respect of going concern considerations. The directors completed a review of the Topps Tiles Group from a going concern perspective as at the date of signing these financial statements. When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline in sales and a more severe decline in sales, which result in much lower sales and gross profit than the base scenario, resulting in worse profit and cash outcomes. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for two years, with sales falling substantially in each year in our main brand, Topps Tiles, as well as year on year declines in gross margins.

The Group has already taken a number of actions to strengthen its liquidity over the recent years, and the scenarios start from a position of relative strength. The going concern review also outlined a range of other mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, savings on store employee costs, savings on central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend.

The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenario. The current lending facility was refinanced in October 2022 and expires at the earliest in October 2025. In all scenarios, the Board have concluded that there is sufficient available liquidity and covenant headroom for the

Pro Tiler Limited

Directors' report (continued)

For the 18 months to 1 October 2022

Group to continue to meet all of its financial commitments as they fall due for the foreseeable future, a period of not less than 12 months from the date of this statement.

After reviewing the Group's projected financial performance and financing arrangements, the Directors consider that the Company has adequate resources to continue operating and that it is therefore appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

The going concern assessment performed is intrinsically linked to the Group's financing arrangements and a letter of support has been received from Topps Tiles plc, providing support over the Company's future cashflows in the period. This letter covers the period of not less than 12 months after the date of signing of the financial statements. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements. See note 2 for further information.

Review of the period

The financial statements for the 18 months to 1 October 2022 are set out on pages 6 to 19. The Company made a profit before tax for the 18 months to 1 October 2022 of £1.2m (2021: £1.3m).

At the balance sheet date, the Company had net assets totalling £1.8m (2021: £1m).

The directors did not declare a dividend in the period and do not declare a final dividend (2021: £0.4m).

The Board monitors performance in implementing the strategy with reference to a clearly defined set of key performance indicators ("KPIs"). These KPIs are applied on a Group-wide basis and cover a range of financial and non-financial metrics, as outlined below:

- Financial metrics:
 - Adjusted Group revenue growth year on year 8.4% (2021: 18.3%)
 - Like for like sales growth year on year 9.4% (2021: 19.6%)
 - Adjusted gross margin 54.8% (2021: 57.3%)
 - Adjusted profit before tax £15.6 million (2021 restated*: £15.0 million)
 - Adjusted earnings per share 6.14p (2021 restated*: 6.02p)
 - Adjusted net cash £16.2 million (2021: 27.8 million)
 - Inventory days 126 (2021: 123)
- Non-financial metrics:
 - Customer overall service score 89.9% (2021: 88.4%)
 - Colleague turnover 36.5% (2021: 31.2%)
 - Carbon emissions per store (tonnes per annum) 15.5 (2021 restated*: 24.0)
 - Number of retail stores at year end 304 (2021: 313)

* See note 2(A) of the consolidated Group financial statements of Topps Tiles Plc for an explanation of the prior year restatement.

Principal risks and financial risk management policies

Funding for all subsidiaries of Topps Tiles Plc is arranged centrally. The company does not use derivatives to manage its financial risks. Due to the nature of the company's business and the assets and liabilities contained in the company's balance sheet, the main financial risks the directors consider relevant to this company are managed by Topps Tiles Plc. Details of these risk management policies can be found in the consolidated financial statements of the Group which are publicly available. The risks of losing key suppliers has increased as a result of the UK's decision to leave the EU. Future trade deals between EU and non-EU countries may

Pro Tiler Limited

Directors' report (continued)

For the 18 months to 1 October 2022

Principal risks and financial risk management policies (continued)

result in the business having to review and renew existing supplier relationships. The Topps Tiles Group has a diverse supply chain and due to its scale can source products from all over the world, going some way to mitigate any risks associated with leaving the EU.

Future outlook

The directors expect the business to grow due to investing activities and further development of the Company brand, which over time could ultimately become the market leader.

Charitable and political contributions

Charitable or political donations of £1,561 were made in the 18 months to 1 October 2022 (2021: £1,458).

Directors

The directors who served during the 18 months up to the date of this report are as followed:

R. Parker (appointed 9/3/22)
S. Hopson (appointed 9/3/22)
A Bucknall (resigned 9/3/22)
Mrs W Bucknall (resigned 9/3/22)
S Bucknall (resigned 9/3/22)
T Bucknall (resigned 9/3/22)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Pro Tiler Limited

Directors' report (continued)

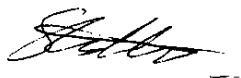
For the 18 months to 1 October 2022

Directors' responsibilities statement (continued)

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved and signed on behalf of the board by:



.....
Stephen Hopson, Director

Date: 7/8/2023

Pro Tiler Limited

Profit and loss account

For the 18 months to 1 October 2022

		18 months to 1 October 2022 £	Restated 12 months to 31 March 2021 £
	Note		
Revenue		20,849,795	9,275,124
Cost of sales		(15,495,081)	(6,563,389)
Gross profit		<u>5,354,714</u>	<u>2,711,735</u>
Administrative expenses		(4,102,811)	(1,485,953)
Other operating income		-	37,475
Operating profit		<u>1,251,903</u>	<u>1,263,257</u>
Finance costs (net)	5	(18,669)	(2,078)
Profit before taxation		<u>1,233,234</u>	<u>1,261,179</u>
Taxation	8	(344,004)	(165,414)
Profit for the financial period	6	<u><u>889,230</u></u>	<u><u>1,095,765</u></u>

All activities arose from continuing operations.

There were no recognised income or expenses for either period other than those reported above and therefore no separate statement of comprehensive income has been presented.

Pro Tiler Limited

Balance Sheet

As at 1 October 2022

	Note	At 1 October 2022 £	Restated At 31 March 2021 £
Fixed assets			
Tangible assets	9	436,422	481,026
Other Debtors		120,000	120,000
		<u>556,422</u>	<u>601,026</u>
Current assets			
Stock		2,338,620	1,489,877
Debtors	10	253,118	117,732
Cash and bank balances		640,814	1,127,196
		<u>3,232,552</u>	<u>2,734,805</u>
Creditors: amounts falling due within one year			
Trade and other creditors	11	(1,929,681)	(1,803,327)
		<u>(1,929,681)</u>	<u>(1,803,327)</u>
Net current assets		<u>1,302,871</u>	<u>931,478</u>
Total assets less current liabilities		<u>1,859,293</u>	<u>1,532,504</u>
Non-current liabilities			
Amounts falling due after more than one year	12	(12,574)	(575,015)
Net assets		<u>1,846,719</u>	<u>957,489</u>
Capital and reserves			
Called up share capital	13	4	4
Profit and loss account		1,846,715	957,485
Total shareholders' funds		<u>1,846,719</u>	<u>957,489</u>

Pro Tiler Limited

Balance Sheet (continued)

As at 1 October 2022

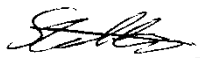
For the 18 months to 1 October 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accompanying notes are an integral part of these financial statements.

The financial statements on pages 6 to 19 of Pro Tiler Limited (registered number 07154275) were approved by the board of directors and authorised for issue on 7th August 2023 and signed on its behalf by:



Stephen Hopson (Director)

Pro Tiler Limited

Statement of changes in equity

For the 18 months to 1 October 2022

	Called up share capital £	Restated Profit and loss account £	Restated total shareholders' funds £
Balance at 31 March 2020	4	261,720	261,724
Restated profit for the period	-	1,095,765	1,095,765
Restated total comprehensive profit for the period	-	1,095,765	1,095,765
Dividend paid	-	(400,000)	(400,000)
Restated balance at 31 March 2021	4	957,485	957,489
Profit for the 18 months to 1 October 2022	-	889,230	889,230
Total comprehensive profit for the 18 months to 1 October 2022	-	889,230	889,230
Dividend paid	-	-	-
Balance at 1 October 2022	4	1,846,715	1,846,719

Pro Tiler Limited

Notes to the financial statements

For the 18 months to 1 October 2022

1. General information

Pro Tiler Limited is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company Limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activity of the Company is the online supply of tiling-related consumables and equipment to trade customers.

The average monthly number of employees (including executive directors) was 37 (2021: 22).

These financial statements are separate financial statements. The Company's results are included within the consolidated Group financial statements of Topps Tiles Plc. The Group financial statements of Topps Tiles Plc are available to the public and can be obtained as set out in note 15. The registered office address of the parent Company preparing consolidated financial statements is Topps Tiles, Thorpe Way, Grove Park, Enderby, Leicestershire, LE19 1SU.

Throughout the financial statements, references to 2022 mean at 1 October 2022 or the 18 months then ended; references to 2021 mean at 31 March 2021 or the 12 months then ended.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared on the historical cost basis, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council. These financial statements have also been prepared in accordance with the Companies Act 2006.

The company has taken advantage of the exemption, under paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Topps Tiles plc, includes the company's cash flows in its consolidated financial statements.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Going concern

Given that the Group is managed and controlled on a unified basis, and all subsidiary companies are UK based with common directors, going concern is considered on a group basis. Those directors take a responsible approach to each individual company in respect of going concern considerations. The directors completed a review of the Topps Tiles Group from a going concern perspective as at the date of signing these financial statements. When considering the going concern assertion, the Board reviews several factors including a review of risks and uncertainties, the ability of the Group to meet its banking covenants and operate within its banking facilities based on current financial plans, along with a detailed review of more pessimistic trading scenarios that are deemed severe but plausible. The two downside scenarios modelled include a moderate decline in sales and a more severe decline in sales, which result in much lower sales and gross profit than the base scenario, resulting in worse profit and cash outcomes. The more severe downside scenario modelled this year was based on a prolonged period of macroeconomic stress in the UK, lasting for two years, with sales falling substantially in each year in our main brand, Topps Tiles, as well as year on year declines in gross margins.

The Group has already taken a number of actions to strengthen its liquidity over the recent years, and the scenarios start from a position of relative strength. The going concern review also outlined a range of other mitigating actions that could be taken in a severe but plausible trading scenario. These included, but were not limited to, savings on store employee costs, savings on central support costs, reduced marketing activity, a reduction of capital expenditure, management of working capital and suspension of the dividend.

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

2. Significant accounting policies (continued)

Going concern (continued)

The Group's cash headroom and covenant compliance was reviewed against current lending facilities in both the base case and the severe but plausible downside scenario. The current lending facility was refinanced in October 2022 and expires at the earliest in October 2025. In all scenarios, the Board have concluded that there is sufficient available liquidity and covenant headroom for the Group to continue to meet all of its financial commitments as they fall due for the foreseeable future, a period of not less than 12 months from the date of this statement.

After reviewing the Group's projected financial performance and financing arrangements, the Directors consider that the Company has adequate resources to continue operating and that it is therefore appropriate to continue to adopt the going concern basis in preparing these Financial Statements.

The going concern assessment performed is intrinsically linked to the Group's financing arrangements and a letter of support has been received from Topps Tiles plc, providing support over the Company's future cashflows in the period. This letter covers the period of not less than 12 months after the date of signing of the financial statements. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Employee benefits

The Company operates a defined contribution scheme. The amount charged to the profit and loss in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Difference between contributions payable in the period and contributions actually paid are included as either accruals or prepayments in the balance sheet.

No pension contributions were due at 1 October 2022 (2021: £3,828).

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

2. Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tangible assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	10% straight line
Fixtures and fittings	10% straight line
Motor vehicles	25% on reducing balance
Computer equipment	25% straight line

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

2. Significant accounting policies (continued)

Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes material and other costs incurred in bringing the stocks to their present location and condition. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Financial instruments

The company has chosen to adopt section 11 and 12 of FRS102 in respect of the recognition and measurement of financial instruments.

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and bank balances

Cash and cash equivalents comprise cash on hand and other short-term highly-liquid investments that are readily convertible to a known amount of cash within three months and are subject to insignificant risk of changes in value.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The directors have concluded that there are no critical areas of accounting judgement in the application of the Company's accounting policies in the current period.

Key sources of estimation uncertainty

The directors have concluded that there are no key sources of estimation uncertainty in the application of the Company's accounting policies in the current period.

Change in accounting estimates

During the year the company was acquired by Topps and the estimation technique for calculating depreciation and useful lives of tangible assets was aligned to the Group accounting policy. The changes in the year are noted below:

Tangible asset class	Group policy	Historic policy
Plant and machinery	10% straight line	20% on reducing balance
Fixtures and fittings	10% straight line	20% on reducing balance
Motor vehicles	25% on reducing balance	25% on reducing balance
Computer equipment	25% straight line	20% on reducing balance

Restatement

The prior year figures have been restated to include a rent deposit of £120,000 within other debtors. This was incorrectly expensed, being included within administrative expenses in the prior year. The prior year administrative expenses and retained profit and loss account have also been restated by the same amount. In addition, the hire purchase liability was restated to amend the interest charge.

4. Revenue

	18 months to 1 October 2022 £	12 months to 31 March 2021 £
Revenue from the sale of goods	20,849,795	9,275,124
	<u>20,849,795</u>	<u>9,275,124</u>

All revenue is derived from sales in the UK from continuing operations.

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

	18 months to 1 October 2022 £	12 months to 31 March 2021 £
5. Finance costs (net)		
Interest payable and similar expenses	18,717	2,090
Interest receivable and similar income	(48)	(12)
	<u>18,669</u>	<u>2,078</u>

6. Profit for the financial period

Profit for the financial period has been arrived at after charging:

	18 months to 1 October 2022 £	12 months to 31 March 2021 £
Depreciation of tangible assets	<u>170,877</u>	<u>130,825</u>

7. Staff costs

The average monthly number of employees (including executive directors) was:

	2022 Number	2021 Number
Administration	5	4
Operations	32	18
	<u>37</u>	<u>22</u>

Their aggregate remuneration comprised:

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

	2022 £	2021 £
Wages and salaries	1,567,498	703,840
Social security costs	129,116	61,442
Other pension costs	46,441	21,115
	<u>1,743,055</u>	<u>786,397</u>

7. Staff costs (continued)

The directors are paid by another group undertaking and it is not practicable to allocate their remuneration to other group companies for services rendered. Full disclosure of the directors' remuneration can be found in the group accounts of Topps Tiles Plc. Copies of the group accounts can be obtained from the address noted in note 15.

8. Tax on loss

	18 months to 1 October 2022 £	Restated 12 months to 31 March 2021 £
Current tax – charge for the period	272,559	165,414
Current tax – adjustment to tax charge in respect of prior periods	(5,658)	-
Deferred tax – origination and reversal of temporary differences	58,598	-
Deferred tax – effect of tax rate change on opening balance	18,505	-
Total tax charge for the period	<u>344,004</u>	<u>165,414</u>

Tax expense for the year is higher (2021: lower) than the standard rate of corporation tax in the UK for the period ended 1 October 2022 of 19% (2021: 19%). The differences are explained below.

	18 months to 1 October 2022 £	Restated 12 months to 31 March 2021 £
--	---	--

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

Profit before tax	1,233,234	1,261,179
Tax at the UK corporation tax rate of 19% (2021: 19%)	234,314	239,624
Expenses not deductible for tax purposes	286	1,087
Other tax adjustments	96,558	-
Adjustments to tax charge in respect of prior periods	(5,658)	-
Rate change on deferred tax	18,504	-
Fixed asset differences	-	(75,297)
Tax expense/(income) for the period	344,004	165,414

A UK corporation rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

9. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 31 March 2021	329,717	25,182	214,156	132,118	701,173
Additions	120,298	223	130,343	50,558	301,422
Disposals	(31,196)	(21,141)	(195,641)	(3,674)	(251,652)
At 1 October 2022	418,819	4,264	148,858	179,002	750,943
Accumulated depreciation					
At 31 March 2021	66,454	15,644	87,346	50,703	220,147
Charge for the year	75,475	2,052	41,705	51,645	170,877
Elimination on disposals	(10,850)	(15,344)	(46,990)	(3,319)	(76,503)
At 1 October 2022	131,079	2,352	82,061	99,029	314,521
Carrying amount					
At 1 October 2022	287,740	1,912	66,797	79,973	436,422
At 31 March 2021	263,263	9,538	126,810	81,415	481,026

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

10. Debtors

	2022 £	2021 £
Trade debtors	190,229	116,932
Other debtors	54	800
Prepayments	62,835	-
	<u>253,118</u>	<u>117,732</u>

11. Trade and other creditors

	2022 £	Restated 2021 £
Amounts falling due within one year:		
Bank loans and overdrafts	21,909	12,971
Trade payables	860,197	1,376,698
Amounts owed to participating interests	-	5,829
Amounts owed to group undertakings	252,502	-
Social security and other taxes	467,907	297,015
Deferred tax liability	77,103	-
Other payables	241,630	103,195
Hire purchase contracts	8,433	7,619
	<u>1,929,681</u>	<u>1,803,327</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

12. Creditors: Amounts falling due after one year

	2022 £	Restated 2021 £
Hire purchase contracts	12,574	25,015
Other creditors	-	550,000
	<u>12,574</u>	<u>575,015</u>

13. Called up share capital

	2022 £	2021 £
Authorised, issued and fully paid:		
Ordinary shares of £1 each	<u>4</u>	<u>4</u>

The Company has one class of ordinary shares which carry no right to fixed income.

Pro Tiler Limited

Notes to the financial statements (continued)

For the 18 months to 1 October 2022

14. Related party transactions

Goods and services purchased from Topps Tiles (UK) Limited, a fellow group subsidiary, to the profit and loss account of £377,490 in the 18 months to 1 October 2022 (2021: £nil). As at 1 October 2022, £252,502 (2021: £nil) was included within amounts owed to group undertakings.

15. Controlling party

The immediate and ultimate parent company and controlling entity of the Company, and the smallest and largest group which prepares consolidated financial statements and of which the Company forms a part, is Topps Tiles Plc, a company registered in England, whose registered office is located at Topps Tiles, Thorpe Way, Grove Park, Enderby, Leicestershire, LE19 1SU.

Copies of the Company financial statements of Topps Tiles Plc are available from Companies House, Crown Way, Cardiff, CF14 3UZ.